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## **PUBLIC EMPLOYEES RETIREMENT BOARD MEETING**

**June 15, 2023**

**9:00 A.M.**

A special meeting of the Public Employees Retirement Board (PERB) convened at 9:00 a.m., Thursday, June 15, 2023, in the Nebraska State Office Building 301 Centennial Mall South, Lower-Level, Lancaster Hearing Room.

The Board members were notified of this meeting by Agenda posted on the PERB SharePoint website on Friday, June 9, 2023. Public notice of this meeting was published in the Lincoln Journal-Star and Omaha World-Herald on Tuesday, June 13, 2023. K. Ackerman chaired the meeting and B. Dinges recorded the minutes.

### **MEMBERS PRESENT:**

KELLI ACKERMAN, CHAIR  
JANIS ELLIOTT, VICE-CHAIR  
GERALD CLAUSEN  
MIKE JAHNKE  
ALLEN SIMPSON  
JUDGE THOMAS ZIMMERMAN  
MICHAEL WALDEN-NEWMAN, EX-OFFICIO

### **MEMBER NOT PRESENT:**

JIM SCHULZ

### **NONMEMBERS PRESENT:**

RANDY GERKE  
Director  
ORRON HILL  
Legal Counsel  
TERESA ZULAUF  
Controller  
MELISSA NUSS  
Benefits Processing Manager  
BRENDA DINGES  
Retirement Plan Manager  
VICKI HUBER  
HR Specialist/Generalist  
MARIA DAVIS  
NPERS Retirement Specialist II

JERAD ALEXANDER  
NPERS Retirement Specialist I  
BILL BIVEN  
Fiscal Policy Office  
NEAL ERICKSON  
Legislative Retirement Committee  
JOSH RUHNKE  
Ameritas  
JACK HARDY  
IT Manager  
VANESSA HOHLEN  
Internal Auditor  
RYAN WALTON  
State Budget Office

**Agenda Item 1:** K. Ackerman stated this meeting will follow the Nebraska Open Meetings Act and a copy of the Act is provided electronically via a link on the final agenda posted on the Nebraska Public Employees Retirement Systems' (NPERS) website, on the Attorney General's website, and a copy of the Act is located on the table by the door.

**Agenda Items 2 and 3 – Meeting Called to Order:** K. Ackerman called the June 15, 2023, Board Meeting to order at 9:00 a.m. Present at meeting: J. Elliott, K. Ackerman, G. Clausen, M. Walden-Newman, M. Jahnke, A. Simpson, and T. Zimmerman. Absent: J. Schulz.

**Agenda Item 4 – Public Discussion for the Purpose of Discussing the Vacancy of the NPERS Director:** K. Ackerman made some heartfelt comments regarding the NPERS Director position.

"First, I want to thank the Personnel Committee and board members for their tireless efforts during the interview process. Many hours since January have been spent finding the best candidate to bring forward. The board made the decision to do the hard work themselves of hiring a Director, saving approximately \$50,000.

The Personnel Committee worked with DAS (Department of Administrative Services) to make sure we were following the state guidelines for the interview and hiring process. We thank Kaitlyn Betz at DAS for helping guide us through the process.

We conducted an extensive national search and had applicants from both in and out of state. NPERS is known nationally for having well-funded plans and is the envy of many across the nation. It is with deep sadness that after 5 months since the interview process for a NPERS Director started, we are here today. I was at the Rotunda that afternoon during the reconsideration hearing with Jason Hayes in hopes that if senators had questions they would stop and talk with us.

I encourage the senators to reach out to Senator McDonnell, the candidate chosen, or the PERB in the future and get any questions they have answered before any confirmation hearing. I encourage senators to attend a Public Employees Retirement Board meeting at least once a year. We meet on the 3<sup>rd</sup> Monday of every month, unless it is a Holiday, then we meet on the 4<sup>th</sup> Monday of the month.

I also encourage senators to read the NPERS Annual Report which is presented to the Legislative Retirement Committee yearly. The *Annual Report* will give you information on the NPERS Agency, Director Duties, PERB and many more topics. You can find the *Annual Report* on our website NPERS.ne.gov. Click on the *Member Info* then *Publications* and scroll down to *Annual Report*. Thank you to the NPERS Staff who work so hard on this annually.

This decision to not approve the NPERS Director chosen by the PERB has put the NPERS Agency at risk without a Director.

We also have the OSERS Mgmt Transfer project that has to be completed by Sept 1, 2024 as per LB147 approved by the legislature. LB147 transfers duties & responsibilities for management of the OSERS to the PERB/NPERS by Sept 1, 2024. The staff, director, and board have already been working on this for over a year.

I would like to read part of Randy Gerke's letter to Sen. McDonnell and the Retirement Committee in the Annual Report."

Dear Senator McDonnell and Retirement Systems Committee Members:

It is my pleasure to present the 2023 Annual Report to the Legislature highlighting NPERS activities during the past year. NPERS strives to uphold the integrity of the retirement systems, and to maintain the trust of our members, our plan employers, the separate branches of government, and Nebraska's citizens. This report contains detailed information about NPERS' operations, our retirement plans, our achievements throughout the year, and our goals for the future.

NPERS provided uninterrupted benefit payments to our members and receipted the contributions required to keep plan funding strong, enhanced customer service engagement and digital functioning, and created coordinated interdepartmental member and employer education opportunities. We will pursue continued growth, improvement, collaboration, and leadership ideals as we serve the State of Nebraska.

In 2022, NPERS experienced growth in membership and a reduction in asset totals. The total membership of all six plans was 150,585 while total assets declined to approximately \$18.7 billion. Additionally, over \$1.1 billion in benefits was distributed providing a vital economic impact for our state and local economies. All retirement plans under the administration of the agency reflect a funded status of 90% or above, providing a model for exemplary fiduciary leadership recognized nationwide. This is due, in large part, to the Nebraska Legislature as a whole, and the stewardship of your committee.

I wish to acknowledge the Public Employees Retirement Board and the Nebraska Investment Council who continue to provide the highest level of vision, leadership, and commitment to the retirement systems. I applaud the NPERS staff whose contributions and commitment are key to our future. I want to thank our partners, Ameritas and Cavanaugh Macdonald, and their significant contributions in the administration of our retirement plans. I am proud to recognize the exceptional leadership and commitment of the Legislative Retirement Committee to those you serve.

Sincerely,



Randy Gerke  
Director

I am honored to serve on the PERB with so many dedicated, engaged, knowledgeable board members. We all serve with honesty, integrity and dedication to the success of the agency and the funding of the plans. As a Board, we will meet in Executive session to discuss our next steps in hiring an NPERS Director."

**Agenda Item 5 – Executive Session:** At 9:12 a.m., M. Jahnke moved that the Board exit Regular Session and convene in Executive Session for the purpose of discussing the vacancy of the NPERS Director, Personnel Matters, and Legal Matters. Motion was seconded by G. Clausen. Members voted as follows: For K. Ackerman, J. Elliott, G. Clausen, M. Jahnke, A. Simpson, and T. Zimmerman. None. Motion carried.

At 10:39 a.m., M. Jahnke moved the Board exit Executive Session and reconvene in Regular Session. Motion was seconded by T. Zimmerman. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, A. Simpson, M. Jahnke, and T. Zimmerman. Against: None. Motion carried.

A. Simpson moved for approval of Randy Gerke’s letter to the PERB to change his retirement date as NPERS Director from June 18, 2023 to August 31, 2023 at his current rate of \$93.750 per hour. This is due to the vacancy of the new NPERS Director position. Motion was seconded by G. Clausen. Members voted as follows: For: K. Ackerman, G. Clausen, J. Elliott, A. Simpson, M. Jahnke, and T. Zimmerman. Against: None. Motion carried.

A. Simpson made a motion to open the NPERS Director’s position. The motion was seconded by G. Clausen. Members voted as follows: For: G. Clausen, M. Jahnke, T. Zimmerman, A. Simpson, J. Elliott, and K. Ackerman. Against: None. Motion carried.

At this time O. Hill thanked the PERB for the opportunity to work with NPERS and announced he has accepted another position with a private law firm. He offered his resignation from NPERS, effective July 7, 2023. His letter of resignation will be submitted to the Board after the meeting.

**Adjournment:** A. Simpson moved that the meeting adjourn. Motion was seconded by J. Elliott. Members voted as follows: For: J. Elliott, K. Ackerman, G. Clausen, M. Jahnke, A. Simpson, and T. Zimmerman. Against: None. Motion carried.

The meeting adjourned at 10:52 a.m.